

ASSEMBLY BILL

No. 2059

Introduced by Assembly Member Achadjian

February 23, 2012

An act to amend Section 6225 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2059, as introduced, Achadjian. Sales and use tax: qualified purchaser

Existing law provides that a return, showing specified purchases by a qualified purchaser that were subject to the use tax during the preceding year and that have not been paid to a specified retailer, must be filed, along with a remittance of the amount of tax due, with the State Board of Equalization on or before April 15. Existing law further provides that a qualified purchaser is a specified person that receives at least \$100,000 in gross receipts from business operations per calendar year.

The bill would require the board to create a use tax table that shows the estimated amount of use tax due according to a qualified person's adjusted gross income. This bill would allow a qualified purchaser to satisfy its use tax liability by remitting the estimated amount of use tax, as shown in that table, on or before April 15. This bill would also increase the threshold amount of gross receipts from business operations per calendar year from \$100,000 to \$500,000.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 6225 of the Revenue and Taxation Code is amended to read:

6225. (a) In order to facilitate the collection of use tax imposed by this part, a qualified purchaser shall register with the board on a form prescribed by the board and shall set forth the name under which the qualified purchaser transacts or intends to transact business, the location of the qualified purchaser's place or places of business, and other information as the board may require.

(b) (1) Article 1 (commencing with Section 6451) of Chapter 5 of this part shall apply to a qualified purchaser, except that a return showing the total sales price of the tangible personal property purchased by the qualified purchaser, the storage, use, or other consumption of which became subject to the use tax during the preceding calendar year, and which was not paid to a retailer required to collect the tax or which was not paid to a retailer the qualified purchaser reasonably believed was required to collect the tax, shall be filed, together with a remittance of the amount of the tax due, with the board on or before April 15.

(2) *As an alternative to filing a return and remittance described in subdivision (b), a qualified purchaser may satisfy its use tax liability for the preceding calendar year by remitting to the board on or before April 15 the amount of use tax calculated pursuant to subdivision (e).*

(c) A "qualified purchaser" means a person that meets all of the following conditions:

(1) The person is not required to hold a seller's permit pursuant to this part.

(2) The person is not required to be registered pursuant to Section 6226.

(3) The person is not a holder of a use tax direct payment permit as described in Section 7051.3.

(4) The person receives at least ~~one~~ *five* hundred thousand dollars ~~(\$100,000)~~ *(\$500,000)* in gross receipts from business operations per calendar year.

(5) The person is not otherwise registered with the board to report use tax.

1 (d) This section shall not apply to the purchase of a vehicle,
2 vessel, or aircraft as defined in Article 1 (commencing with Section
3 6271) of Chapter 3.5 of this part.

4 (e) (1) *The board shall annually calculate the estimated amount*
5 *of use tax due under this section according to a person's adjusted*
6 *gross income and make available to qualified purchasers those*
7 *amounts in the form of a use tax table as part of the instructions*
8 *provided to qualified purchasers.*

9 (2) *When a qualified person remits its use tax liability in the*
10 *amount set forth in the table specified in subdivision (e), in*
11 *accordance with the instructions provided by the board, the board*
12 *shall be precluded from making any determination against that*
13 *person for an underpayment of use tax.*